

# Metropolitan Wastewater Management Commission



*partners in wastewater management*

## MWMC MEETING

Friday, September 9, 2011 @ 7:30 a.m.

City of Springfield  
Library Meeting Room

### MINUTES

#### I. ROLL CALL

Vice-President Walt Meyer opened the meeting at 7:30 a.m. Roll call was taken by Kevin Kraaz and introductions were given around the room.

#### **COMMISSIONERS:**

##### PRESENT

Jay Bozievich  
George Brown (came after the Consent Calendar was voted on)  
Doug Keeler  
Hilary Loud  
Walt Meyer  
Marilee Woodrow

##### ABSENT

Bill Inge

#### **STAFF IN ATTENDANCE:**

Meg Allocco	Len Goodwin	Todd Miller
Ron Bittler	Kevin Kraaz	Ron Morrow
Dave Breitenstein	John Huberd	Josh Newman
Michelle Cahill	K.C. Huffman, Attorney	Ed Pabor
Judy Castleman	Dave Jewett, Attorney	Ken Vanderford
Rachael Chilton	Troy McAllister	Greg Watkins
Aaron Collett		

#### **GUESTS:**

Dick Pedersen, DEQ Director  
Ranei Nomura, DEQ  
David Primozych, The Freshwater Trust

#### II. CONSENT CALENDAR

a. MWMC 9-9-11 Meeting Minutes

MOTION: IT WAS MOVED BY COMMISSIONER KEELER TO APPROVE THE CONSENT CALENDAR. THE MOTION WAS SECONDED BY COMMISSIONER LOUD. THE MOTION PASSED UNANIMOUSLY 5/0

**III. PUBLIC COMMENT**

There was no public comment.

**IV. DICK PEDERSEN, DIRECTOR OF DEQ**

Mr. Pedersen had not arrived yet so Vice-President Meyer moved to Agenda Item V.

**V. MWMC SUPPLEMENTAL BUDGET #1**

Meg Allocco, MWMC Accountant, presented the first supplemental budget to adjust the budget that was passed in April of 2011. She explained that the MWMC has three opportunities to make adjustments. The first supplemental budget is mainly for the carry forwards on money that was not spent but was already budgeted. Ms. Allocco stated there is only one piece of new money and that is the \$13,895 for the debt service payments on the State Revolving Fund Loan R64842. She went on to say that when the budget is planned in January, staff has only about six months of actual data and they have to estimate what will be spent for the last six months – they have to estimate the beginning balances for the new budget. Now that staff has final capital project costs and ending cash amount for FY 2011, the Commission is asked to approve the following recommendations regarding the unspent amounts to be carried forward to the current fiscal budget, as well as adjustments to beginning cash balances:

**Operating Fund:**

- Approve transfer of \$233,235 to the Operating Reserve from Beginning Cash.
- Approve carryover of \$38,500 in Eugene Operation funding for Process Trending/Historian Computer Software that was planned in FY11, but not purchased prior to the end of the fiscal year.
- Approve additional funding for debt service payments on the State Revolving Fund Loan R64842 in the amount of \$13,895. This increase is to adjust principal and interest based on a new amortization schedule received from the Department of Environmental Quality (DEQ).

**Capital Funds:**

- Approve the transfer of \$5,231,861 to the Capital and Equipment Replacement Reserves from Beginning Cash. This will align the FY 11-12 Beginning Cash balance with the actual cash balance at June 30, 2011.
- Approve the carryover of \$5,267,429 unexpended FY10-11 Capital Projects funding to FY11-12. Capital projects are fully budgeted in the year contracts are let, with the understanding that the cash flow will in many cases cross several fiscal years. Unspent budgeted funds for these projects are carried over to the following fiscal year.

- Approve the carryover of \$12,581 in unexpended FY10-11 Equipment Replacement funding to FY11-12. This carryover item is for a Heat Pump & HVAC Control.
- Approve the carryover of \$66,999 in unexpended FY10-11 Major Rehab funding to FY11-12. These carryover items include Operations Building Improvements, Primary Clarifier Sealing, and Air Drying Beds Resurfacing.

**System Development and Debt Service Funds:**

- Approve the transfer of \$127,395 from SDC and Debt Service Reserves to Beginning Cash. This transfer will align the FY11-12 Beginning Cash balance with the actual cash balance at June 30, 2011.

MOTION: COMMISSIONER LOUD MOVED TO ADOPT RESOLUTION 11-09 IN THE MATTER OF APPROVAL OF FY 11-12 SUPPLEMENTAL BUDGET. IT WAS SECONDED BY COMMISSIONER WOODROW. THE MOTION PASSED UNANIMOUSLY 6-0.

**IV. DICK PEDERSEN, DIRECTOR OF DEQ**

Vice-President Meyer introduced guest speaker Dick Pedersen, Oregon Department of Environmental Quality (DEQ) Director.

Mr. Pedersen began by congratulating the MWMC Board and the work that is being done at the wastewater facilities, saying it is a very progressive look at how to manage challenging issues we have across the state in wastewater.

Mr. Pedersen gave a brief background history. He said he started out in Montana, and then moved to Oregon where he has been the Director at the DEQ for about three and one-half years and he has been involved primarily in water and wastewater for most of his 35-year career. He enjoys his job and enjoys working with people who are trying to solve some of the challenges that we face environmentally and with infrastructure. Around five to ten years ago he began to realize that the traditional way of looking at and solving water quality issues in the Clean Water Act itself does not necessarily address some of the challenges and issues that we have in front of us today. At that point the agency began moving out of the tradition of the Clean Water Act and opened up to a different way of looking at infrastructure within a point source community to address changing standards in different, more long lasting and effective ways by asking point sources to do something a little more expansive. It became a passion of his and he thinks his agency and others should look to solve problems long term and sustainably. That is the basis of his belief for the water quality trading scenario. He said he believes that when you look at streams, water quality problems are not just a source issue; it is a riparian structure issue, a stream hydrology issue, a water quantity issue. Everything is so connected he feels it is critically important that we think holistically about this in a way that creates partnerships, and that everyone plays an important role in it.

Some of the things that he is excited about that have been happening around the state and certainly with the MWMC, is looking forward to really connecting the treatment facility with riparian structure and to connect that with the stream. He said he knows the MWMC is looking

at various ways to use its wastewater that turns it into a valuable commodity rather than a waste that needs to be treated and then pushed out the back door.

In speaking of water quality trading, Mr. Pedersen said his commitment to us and to other parts of the state is the DEQ actively engaged, participating, and endorsing this kind of direction for the use of wastewater. He said one of the things that he really admires in this way of thinking is getting out of the standard hardcore engineering aspect of treated wastewater so it is more long lasting. When looking at the trading aspect and building and constructing something that is intended to last as long as nature allows, it is not only sustainable but has some guarantee into the future that we are dealing with this issue for generations to come, not just short-term. There are many other aspects of this that he really likes and certainly endorses. One of those is non-conventional ways to treat wastewater and trading credits that exposes the business of wastewater to the overall community; to connect to farmers and ranchers if that is where the trade is going. It also becomes an educational opportunity for the community itself, to talk about how nature is connected, how wastewater is treated, how it can be used in different fashions to make the gains that we're trying to do in this great river basin that we have. He stated that the leadership the MWMC is demonstrating, with the DEQ's support and backing, is not only a model for our community but for the other communities in the Willamette Basin, the state, and is actually a model for the nation. Oregon has taken a leadership role across the country in looking at wastewater issues in this fashion. He believes it is really important to do so if we are going to build upon the Clean Water Act and build into the future in a way that we can all be proud of; showing future generations this is how we solve problems. He said he knows that there have been some challenges with the TMDL (total maximum daily load) work and that hopefully we are working through them. He commented this is certainly a part of that, just to get the assurance that is needed to have in order to look at long-term planning. Mr. Pedersen said he is absolutely committed from the department perspective to work with the MWMC to make this happen.

Mr. Pedersen introduced DEQ Policy Analyst, Ranei Nomura, who accompanied him to the meeting saying she has worked on trading for a very long time getting us ready and working closely with the MWMC and all the other communities. He concluded the MWMC is in a leadership role and that one of the reasons for accepting the invitation to speak at this meeting was to support us and try to answer any questions that we might have, adding that if there are challenges ahead, the DEQ will "roll up our sleeves" and solve them to allow the MWMC to do the work that needs to be done for the long term sustainability for the community.

#### **Questions & Answers:**

Commissioner Keeler asked what lessons the DEQ has learned from some of the projects that have already happened or are in the works. Mr. Pedersen replied that the lessons the agency has learned is to be willing to step forward to make things happen through the permitting process by pushing the envelope and helping staff make it happen. He believes having the metrics in place that shows how many kilocalories of "x" equals how many kilocalories of "y" is absolutely necessary to make the permitting process work. Getting out of the framework of the traditional model of building wastewater treatment with bricks and mortar and into a different way of thinking by stepping outside our traditional comfort zone we can spend fewer dollars and get much more benefit in what we are looking for. That is not a difficult risk to take. His only lesson learned is for DEQ to take the risk and let this happen because it is the right thing to do. He said he believes that paying attention to putting the metrics in place is what is

needed for long term security and is really where we are at now. He commented the MWMC is leading that along with a couple of other communities and will probably learn lessons as things progress, but he is pretty confident that this is going to work out well.

Commissioner Woodrow asked what type of community education program he sees that actually gets individuals aware and involved. Mr. Pedersen replied that in his experience in wastewater, the only time people know that it exists is if they can smell it. He went on to say that a community depends on that infrastructure and that people not having the knowledge about it is definitely a challenge for the MWMC (or others in our position) to get people to support what we are doing. What he sees is really making people look at the value of water in general from all aspects and how things are connected to the overall natural system. It is an opportunity for schools to see not only wastewater treatment but also how in a beneficial way, it is connected to the river by which we take water from and put water back in. This should tie into the educational system to show them what we are doing, it shows them how riparian works, how it interacts with agricultural practices in the local area which we all support and the mutual benefit of not only what we have to do as a city and a community but also how it connects to the surrounding area. He thinks that the educational opportunities are immense to get the kids and the community to understand what they are investing in because it is their investment.

Commissioner Woodrow stated that she was thinking of a situation where we would look towards funding of infrastructure and how to engage the adult community. She asked if there is a way that seems to be more beneficial than others. Mr. Pedersen replied that one way to benefit from investing in a riparian area structure is if there is a community access or some kind of exposure to the benefits of it by either using signs or just being exposed to it by biking or walking. It is that sort of awareness that connects the community with where their dollar investment is going.

Commissioner Meyer stated that part of the agreement the MWMC has with the DEQ is that they will look at the Willamette TMDL again in 2012. He asked if the DEQ is committed to making sure that process happens so that we have the advantage of what we have learned elsewhere to roll that into the TMDL in the Willamette Basin and be able to move forward with permits that really make sense. Mr. Pedersen replied that with budget reductions it will be more challenging to get to in 2012. He did say that when TMDLs are written they are based on current data and lessons are learned as they go. The DEQ is open to making sure that if there is a different or more appropriate metrics for analysis, it needs to happen. The DEQ will not let the wrong thing occur when they know something different should happen. As they are writing and developing the permit, they have to acknowledge that there is going to be a change in what the department submitted and to bring the best information forward to provide long term security and direction.

Commissioner Meyer asked if it were to make sense, would the department be open to receipts authority or something to help move the process of the two things happening in parallel. Mr. Pedersen responded that the DEQ has always been open to receipts authority. He went on to say that if that is the route that will allow them to get ahead of things on an issue for this facility they would entertain that.

Mr. Pedersen announced that Ms. Nomura would be able to help with any questions.

## **VI. FACILITY PLAN CONSULTANT**

Aaron Collett, Project Manager, stated that it was synergistic timing as he was bringing to the Commission another progressive approach. He briefly touched on some highlights from the previous memos. A Communication memo was sent out in June stating that staff was intending to issue a Request for Proposals for the Facilities Planning and including on-going Engineering Services (a yearly contract). The RFP went out in July and received a single proposal in August. Staff has reviewed the proposal and the recommendations that they made are on the new memo that was walked in to the meeting today. The scores that were given to CH2M Hill are on the table of the last page of the memo. They were given a review similar to how they would have been reviewed if there were multiple proposals; they received a score of 120 out of 150 points. Mr. Collett mentioned that the interview committee felt they had drawn the "A" team and that CH2M Hill had been listening to staff in the talks prior to the proposal due date. He said they paid them some respect with the quality of the proposal. Mr. Collett asked the Commission to approve Resolution 11-10 to authorize staff to begin negotiating a contract not to exceed value of \$400,000.

### **Discussion:**

Commissioner Meyer asked if CH2M Hill would be working alone or with subcontractors. Mr. Collett replied that they have teamed with Kennedy/Jenks and they have pulled in some of the people that we have had some really good success with in the past. It was an interesting request they made to partner with this kind of project but we feel it is a good choice.

Commissioner Meyer stated that he noted CH2M Hill had received a pedestrian score on Quality Assurance and Control Approach (QA/QC). He asked if staff had taken steps to make sure that the implementation of this will be an enhanced program from what they proposed. Mr. Collett replied that yes they would like to enhance what they have proposed to a degree but also that the score is based on our history feeling that QA/QC as a line item on contracts is often a catch-all padding – we don't see a benefit in direct proportion to the cost of that line item. Mr. Collett said that staff would like to see the QA/QC programs becoming a smaller line item, or showing us more results for what we are paying for, or doing a better job of helping us understand what we have received for the fee.

Commissioner Meyer asked who the project manger is. Mr. Collett replied that for CH2M Hill it is Matt Noesen.

**MOTION: COMMISSIONER KEELER MOVED TO ADOPT RESOLUTION 11-10 IN THE MATTER OF CONTRACT AWARD FOR MWMC PROJECT P80068 – FACILITIES PLAN UPDATE AND ENGINEERING SUPPORT SERVICES. IT WAS SECONDED BY COMMISSIONER LOUD. THE MOTION PASSED UNANIMOUSLY 6-0.**

## **VII. BUSINESS FROM COMMISSION, GENERAL MANAGER, AND WASTEWATER DIRECTOR**

Ron Bittler, MWMC General Manager:

- The October meeting is October 14<sup>th</sup> – Ron will be on vacation and Josh Newman will be acting MWMC General Manager.

- The November meeting occurs on Veterans Day; Kevin will be sending out an email to poll what day you would like to move the meeting to.
- Mike Bussell, EPA's Director of Water and Watershed - Region 10, will be touring the state with ACWA and other DEQ members. Michelle and Ron have been asked to participate in a day long conversation with DEQ and EPA in Woodburn. It will be an opportunity to talk about some of MWMC's issues and some of the water quality challenges.

Michelle Cahill, Wastewater Director:

- Quiet week, taking advantage of the low flows to do maintenance.

## **VII. ADJOURNMENT**

Vice-President Walt Meyer adjourned the meeting at 8:04 a.m.

Minutes were recorded by Kevin Kraaz.